

**COMMONWEALTH OF PUERTO RICO
PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU**

NEPR

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IN RE: REVIEW OF LUMA'S INITIAL
BUDGETS

CASE NO. NEPR-MI-2021-0004

**SUBJECT: Submittal of Quarterly Report for the
Second Quarter of Fiscal Year 2024**

**MOTION TO SUBMIT QUARTERLY REPORT FOR THE SECOND QUARTER OF
FISCAL YEAR 2024**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC ("ManagementCo"), and **LUMA Energy ServCo, LLC** ("ServCo"), (jointly referred to as "LUMA"), and respectfully state and request the following:

1. On May 31, 2021, this honorable Puerto Rico Energy Bureau of the Public Service Regulatory Board ("Energy Bureau") issued and published a Resolution and Order approving LUMA's Initial Budgets ("May 31st Order").

2. In the May 31st Resolution and Order, the Energy Bureau listed certain "requirements for LUMA to fulfill during the Interim Period and going forward" including, among others, annual explanations of the differences between accounts expenses and approved budgets and efficiencies and reporting on federal funding activity. *See* May 31st Resolution and Order at p. 36, paragraphs 1 through 4; *see also* Resolution and Order of July 16, 2021 at p. 6 (modifying the federal funding reporting requirements stated in the May 31st Resolution and Order) ("July 16th Order").

3. On February 27, 2023, this Energy Bureau issued a Resolution and Order whereby it approved the Fiscal Year 2023 Consolidated Budget certified by the Financial Oversight and

Management Board for Puerto Rico¹, required that the quarterly reports explain and justify variances, and included quarterly reporting requirements on actual expenditures and spending amounts for the quarter and year-to-date activities, information to assess outstanding balances, as well as information on actual load and sales (the "February 27th Order"). *See* February 27th Order, at p. 28. Furthermore, this Energy Bureau required that LUMA submit information quarterly regarding the number of Full Time Equivalent ("FTE") lineworkers and the number of FTE lineworkers qualified to work on energized lines. *See* February 27th Order at p.14; *see also* June 25th Order at p. 33.

4. On June 25th, 2023, this Energy Bureau issued a Resolution and Order approving LUMA's Annual Budgets for Fiscal Year 2024 (the "June 25th Order"). The June 25th Order expanded the reporting requirements applicable to LUMA's quarterly reports by requiring LUMA to include the following:

- i. Information on the status of funding, expenditures and progress of vegetation management work, *see* June 25th Order at p. 33;
- ii. A comprehensive explanation of variances in Vegetation Management expenditures, *see* June 25th Order at pp. 9, 33;
- iii. A comprehensive explanation of the miles and acres of vegetation cleared for each T&D voltage level for the year cumulatively, as well as for the applicable quarter, *Id.*;
- iv. Information on LUMA's progress in transforming the Outage Management System ("OMS") to full functionality, *see id.*, at p. 34; and

¹ The Fiscal Year 2023 Consolidated Budgets were certified by the Oversight Board pursuant to Section 202(e) of the Puerto Rico Oversight, Management and Economic Stability Act ("PROMESA").

- v. Inform of LUMA's progress in achieving the ability of customers to contact a Customer Representative relative to non-emergency issues during an emergency. *Id.*

5. On September 22, 2023, this Energy Bureau issued a Resolution and Order whereby it addressed, in relevant part, LUMA's *Motion for Partial Reconsideration of Resolution and Order of June 25, 2023 on Fiscal Year 2024 System Budgets* and granted LUMA's request for approval of the T&D Budget that LUMA submitted for consideration on May 16, 2023. Regarding quarterly reporting requirements, this Energy Bureau directed that for FY2024, LUMA should submit information on the status of collection from pole (third-party) attachments, including amounts collected and how collected funds are accounted for in the budget. *See September 22nd Order*, at p. 7.²

6. In compliance with the quarterly reporting requirements set forth in the May 31st Order, as modified by the July 16th Order, the February 27th Order, the June 25th Order, and the September 22nd Order, LUMA hereby submits to the Energy Bureau, attached as *Exhibit 1*, its Comprehensive Quarterly Report of Fiscal Year 2024, for the Second Quarter ending December 31, 2023 ("Q2 Report"). The Q2 Report also addresses the quarterly reporting requirement set in Case No. NEPR-MI-2020-0019, *In Re: Review of the Puerto Rico Electric Power Authority's System Remediation Plan* and will, therefore, be submitted in the docket of that proceeding.

7. The Q2 Report provides information on LUMA's T&D expenditures, including expenditures for each of LUMA's Departments, as well as spending information per each of the Improvement Portfolios, with a breakdown of expenditures for the Operating Budget and each of

² On December 8, 2023, this Energy Bureau issued a Resolution and Order ruling on requests by the Puerto Rico Electric Power Authority and Genera PR, LLC regarding each of their approved budgets for FY2024 ("December 8th Order"). In the December 8th Order, this Energy Bureau did not adopt reporting requirements applicable to LUMA.

the Capital Budgets (federally and non-federally funded). The Q2 Report includes expenditures information for Q2 as well as year-to-date variances from the approved budget. The Q2 Report includes detailed information on spending portfolios and explanations on updates of key projects.

8. The Q2 Report also includes the quarterly information on shared services, *see* Q2 Report, p.40, information on load and sales forecasts, *see* Q2 Report, at p.22, and information on revenues collected from third-party attachments, *see* Q2 Report, at p. 39.

9. In compliance with the June 25th Order, the Q2 Report identifies variances in Vegetation Management expenditures. *See* Q2 Report, at p. 37.

10. It is respectfully informed that today, LUMA filed in case *In re Revisión del Programa Comprehensivo de Manejo de Vegetación de la Autoridad de Energía Eléctrica*, Case No. NEPR-MI-2019-0005, a report on miles and acres of vegetation cleared for each T&D voltage level for the year, cumulatively, as well as for the applicable quarter.

11. In compliance with the February 27th Order and the June 25th Order, the Q2 Report also includes information on the number of FTE lineworkers, the number of FTE lineworkers qualified to work on energized lines and an explanation on recruitment efforts. *See* Q2 Report, p. 26.

12. Furthermore, as required by the June 25th Order, the Q2 Report includes data on LUMA's progress in transforming and updating the OMS, *see* Q2 Report, at p. 38 (description of the IT OT Asset Management Program), and information on customers' ability to contact a Customer Representative on non-emergency issues during an emergency, *see* Q2 Report, at p. 24.

13. It is informed that LUMA's Q2 Federal Funding Report, filed today with this Energy Bureau in Case *In re Review of the Puerto Rico Electric Power Authority's 10-Year*

Infrastructure Plan, Case No. NEPR-MI-2021-0002, includes information on the status of federally funded capital projects.

14. Finally, as LUMA informed in Exhibit 1 of the *Motion Submitting Comments on Additional Reporting Requirements in Compliance with Item 10 of Attachment A of the Resolution and Order of June 25, 2023*, LUMA is submitting as *Exhibit 2* of this Motion, the Budget to Actuals Report in excel workbook format, that LUMA shares quarterly with the Financial Oversight and Management Board for Puerto Rico (“FOMB”).

15. The Q2 Report also meets LUMA’s quarterly reporting obligations under the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement executed among the Puerto Rico Electric Power Authority, LUMA and the Puerto Rico Public Private Partnerships Authority (“P3 Authority”) dated as of June 22, 2020 (“T&D OMA”) and will be submitted to the P3 Authority to comply with such requirements. *See* T&D OMA, Annex I, Section VI(B), paragraph (5).

WHEREFORE, LUMA respectfully requests that this honorable Energy Bureau **take notice** of the aforementioned on the filing of the Q2 Report; **accept** the attached *Exhibit 1* in compliance with the quarterly reporting requirements of the May 31st Order, as modified by the July 16th Order, the February 27th Order, the June 25th Order, and the September 22nd Order issued in the instant proceeding; **accept** the attached *Exhibit 2*; and **deem** LUMA in compliance with the reporting requirements set forth in the aforementioned orders.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 14th day of February 2024.

I hereby certify that this motion was filed using the electronic filing system of this Energy Bureau. I also certify that copy of this motion will be notified to the Puerto Rico Electric Power Authority, through its attorneys of record González & Martínez, Mirelis Valle-Cancel,

mvalle@gmlex.net; Alexis G. Rivera Medina, grivera@gmlex.net; and counsels for Genera PR LLC, Jorge Fernandez-Reboredo, jfr@sbgblaw.com, Alejandro López Rodríguez, alopez@sbgblaw.com and Joaquín Lago, jlago@sbgblaw.com.



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Exhibit 1
Q2 Report
Supporting schedules to be submitted via email



Informe trimestral de LUMA

Para el segundo trimestre del año fiscal 2024

Hasta el 31 de diciembre de 2023

LUMAPR.COM

ProgresoDeLUMAPR.COM

Liderando la transformación hacia un futuro energético más limpio, confiable, resiliente y brillante

Los más de 4,500 hombres y mujeres de LUMA continúan haciendo un progreso real, significativo e histórico en todo Puerto Rico, hacia la construcción de un mejor sistema eléctrico, que incluye mejoras en la confiabilidad del servicio, la resiliencia de la red, el servicio al cliente y la energía renovable, para tener un impacto duradero y positivo en las comunidades que servimos en toda la isla.

LUMA continúa trabajando para modernizar y transformar la extensa infraestructura de transmisión y distribución de energía eléctrica de Puerto Rico a fin de que sea más confiable, resiliente, limpia y sostenible para los clientes en los años venideros. Durante el segundo trimestre (Q2) del año fiscal 2024, LUMA progresó de manera significativa y tangible hacia estos objetivos adelantando los proyectos de FEMA a un ritmo histórico, reemplazando o reparando más de 28,000 luminarias, despejando la vegetación en 412 millas de servidumbre de paso que presenta riesgos para el sistema, e instalando casi 1,300 dispositivos de automatización de distribución para reducir el tamaño y el impacto de las interrupciones del servicio para los clientes.

Además, LUMA sigue mejorando su servicio de atención al cliente, aumentando su fuerza laboral y dando prioridad a la seguridad en todo lo que hace. Por ejemplo, durante el segundo trimestre del año fiscal 2024, LUMA atendió a más de 561,000 clientes en persona en 25 centros de atención al cliente con un tiempo promedio de espera inferior a nueve minutos, y respondió a más de 549,000 llamadas de clientes con un tiempo promedio de espera de un minuto. Durante este trimestre, 1,715 empleados completaron un total combinado de más de 4,400 horas de capacitación en seguridad, y completamos el Programa de Mejora de Destrezas de LUMA, que inició en junio de 2021 y que mediante el cual se reclutó, capacitó y certificó con éxito a más de 220 extrabajadores de línea que se unieron a LUMA para trabajar en la restauración y reconstrucción del sistema eléctrico de Puerto Rico de manera segura y eficiente.

El progreso de LUMA va más allá de mejorar la red eléctrica y la seguridad y de buscar la excelencia operativa trimestre tras trimestre. LUMA también está fomentando una cultura de retribución a la comunidad a la que tenemos la suerte de servir a través de varias iniciativas locales, que incluyen donaciones caritativas, protección del medio ambiente y programas de empoderamiento de los jóvenes.

En este informe, se describen las acciones y los logros de LUMA durante el período de tres meses comprendido entre el 1 de octubre y el 31 de diciembre de 2023. LUMA sigue firmemente comprometida a operar de manera responsable y eficiente con prudencia fiscal, y continuó operando dentro del presupuesto durante este segundo trimestre del año fiscal 2024.

LUMA opera activos de transmisión y distribución de energía eléctrica, propiedad del gobierno, bajo un acuerdo de operación a largo plazo administrado como parte de una asociación público-privada supervisada por la Autoridad de Alianzas Público-Privadas de Puerto Rico (P3A), y está sujeta a la supervisión reglamentaria del Negociado de Energía de Puerto Rico. Este informe se presenta como parte de nuestro compromiso con la transparencia y como requisito del Acuerdo de Operación y Mantenimiento del Sistema de Transmisión y Distribución de Puerto Rico.

Prioridad a la seguridad

No hay nada más importante para LUMA que la seguridad de nuestros compañeros de trabajo, clientes y comunidades. En el Q2, impartimos 339 talleres sobre seguridad eléctrica a un total de 10,201 participantes, incluidos 9,750 estudiantes y 451 primeros respondedores de toda la isla.

Reconstrucción y resiliencia del sistema

En el Q2, continuamos avanzando en proyectos de resiliencia críticos para mejorar y transformar el sistema eléctrico con los fondos que FEMA obligó para 18 proyectos que representan un estimado de \$1,300 millones.

Mejora en la satisfacción de los clientes

Seguimos creando nuevos caminos para escuchar, apoyar y responder a nuestros clientes. En el Q2, LUMA desarrolló una funcionalidad para nuestro sistema de manejo de clientes que permite darles seguimiento a las interacciones de estos, y brindarles detalles sobre cómo estamos abordando una solicitud de servicio.

Excelencia operativa

Nuestra fuerza laboral calificada continúa desarrollándose mediante un enfoque ampliado en la capacitación especializada. Durante el Q2, LUMA brindó más de 6,000 horas de capacitación en el Programa de aprendizaje de trabajadores de líneas de servicios públicos, que acredita el Colegio de Capacitación Técnica de LUMA.

Transformación energética sostenible

Seguimos avanzando en energías renovables a un ritmo histórico. Durante el Q2, LUMA firmó 13 acuerdos de interconexión de grandes generadores, con proyectos por un total de 668 MW de generación de energía solar y 200 MW en recursos de almacenamiento de energía.





Nuestra misión para Puerto Rico

Recuperar y transformar el sistema eléctrico para proveer un servicio energético centrado en el cliente, confiable, resiliente, seguro y sostenible a precios razonables



LA SEGURIDAD ES PRIORIDAD

Reestructurar las actividades del sistema eléctrico para apoyar una cultura de seguridad fuerte centrada en los empleados y el pueblo



MEJORAR LA SATISFACCIÓN DE LOS CLIENTES

Transformar las operaciones para ofrecer una experiencia positiva al cliente y una electricidad confiable a precios razonables



RECONSTRUCCIÓN Y RESILIENCIA DEL SISTEMA

Utilización efectiva de fondos federales para restaurar la red y mejorar la resistencia de las infraestructuras vulnerables



EXCELENCIA OPERACIONAL

Ayudar a los empleados a alcanzar la excelencia operacional a través de nuevos sistemas, nuevos procesos y nuevas capacitaciones



TRANSFORMACIÓN ENERGÉTICA SOSTENIBLE

Modernizar la red eléctrica para lograr un sistema energético sostenible

Progresos para Puerto Rico durante el AF2024

(Datos correspondientes a seis meses hasta el 31 de diciembre de 2023)

Construimos un futuro energético mejor para todos los clientes de LUMA.

MEJORAMOS LA CONFIABILIDAD.

Instalamos más de

1,600 DISPOSITIVOS DE
AUTOMATIZACIÓN DE LA DISTRIBUCIÓN
que reducen los minutos de interrupción
para el cliente



EXPANDIMOS LA ENERGÍA RENOVABLE.

Activamos más de

26,300 SISTEMAS DE
PANELES SOLARES EN TECHOS,
que representan más de **183 MW**



MEJORAMOS LA SEGURIDAD.

Completamos más de

29,800 HORAS DE
CAPACITACIÓN DIRECTA



AUMENTAMOS LA RESILIENCIA.

Reemplazamos más de

2,500
postes de servicios
públicos DAÑADOS



MEJORAMOS EL SERVICIO AL CLIENTE.

Atendimos más de

1,226,138 LLAMADAS
con un tiempo de espera promedio
de **un minuto**

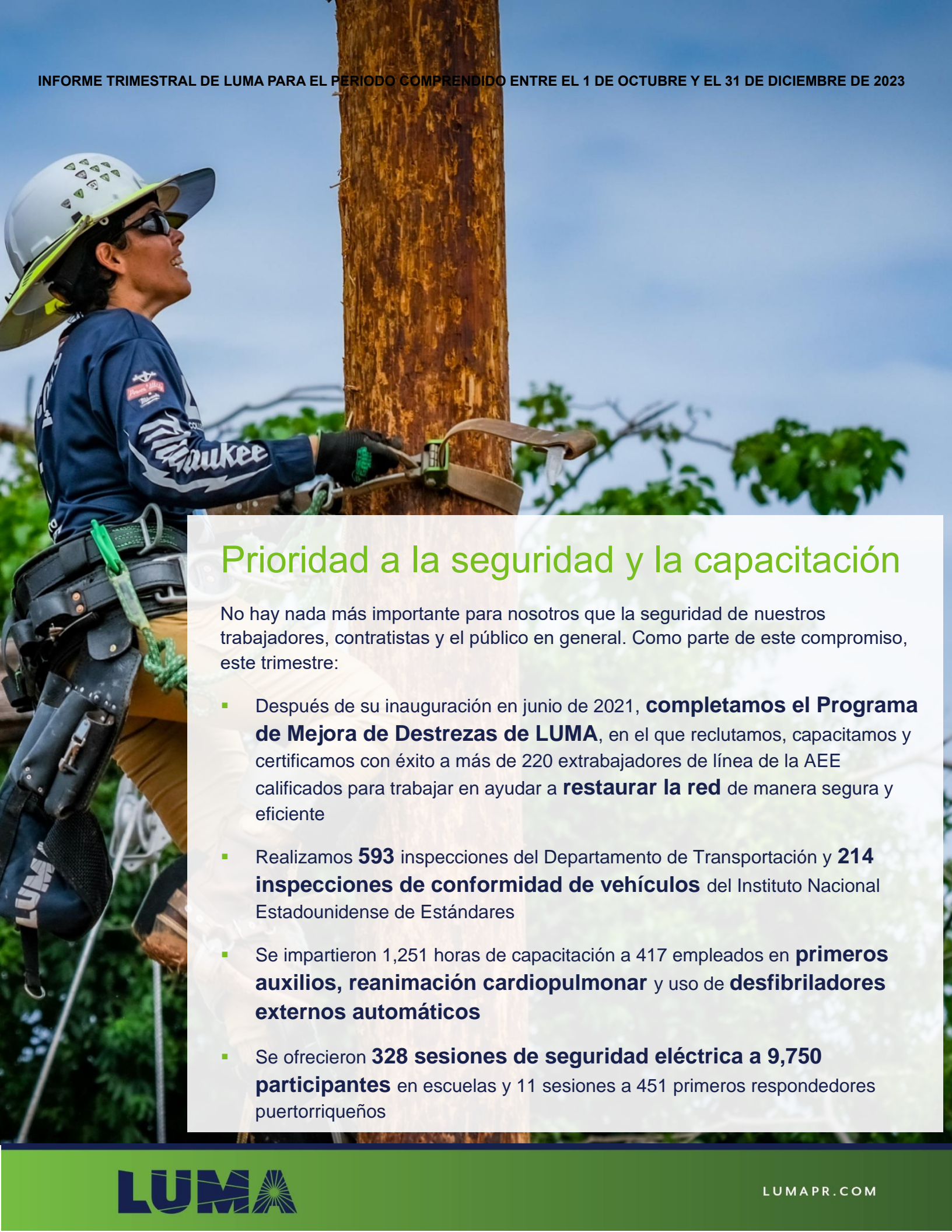


PROYECTOS CON FONDOS FEDERALES

Presentamos

**116 ALCANCES DE TRABAJO
DETALLADOS**, que representan un
promedio de **\$5,500** millones





Prioridad a la seguridad y la capacitación

No hay nada más importante para nosotros que la seguridad de nuestros trabajadores, contratistas y el público en general. Como parte de este compromiso, este trimestre:

- Después de su inauguración en junio de 2021, **completamos el Programa de Mejora de Destrezas de LUMA**, en el que reclutamos, capacitamos y certificamos con éxito a más de 220 extrabajadores de línea de la AEE calificados para trabajar en ayudar a **restaurar la red** de manera segura y eficiente
- Realizamos **593** inspecciones del Departamento de Transportación y **214 inspecciones de conformidad de vehículos** del Instituto Nacional Estadounidense de Estándares
- Se impartieron 1,251 horas de capacitación a 417 empleados en **primeros auxilios, reanimación cardiopulmonar** y uso de **desfibriladores externos automáticos**
- Se ofrecieron **328 sesiones de seguridad eléctrica a 9,750 participantes** en escuelas y 11 sesiones a 451 primeros respondedores puertorriqueños



Fortalecimiento de nuestras comunidades

La colaboración, educación e inversión siguen siendo la base de nuestro apoyo a las comunidades para potenciar un futuro mejor. Como parte de este compromiso, este trimestre los empleados de LUMA:

- **Recogieron más de 700 juguetes** para el **programa Toys for Tots de la Reserva del Cuerpo de Marines** en Fort Buchanan, que se donaron a comunidades desfavorecidas
- Hicieron un trabajo voluntario de limpieza en el Lago de la Plata en Toa Alta, cuyo resultado fue el recogido de **más de 80 libras de basura** a lo largo **de la orilla del lago y en el área recreativa**
- **Donaron más de 1,200 artículos de primera necesidad** a La Fondita de Jesús, una organización dedicada a mejorar la calidad de vida de decenas de personas sin hogar o que viven en comunidades vulnerables de Puerto Rico
- Donación de fondos por parte de los empleados y propietarios de LUMA a través del programa Somos Luces de LUMA a **la Sociedad Americana contra el Cáncer de Puerto Rico** para mejoras a sus instalaciones, y a **la Fundación contra el Cáncer Pediátrico**

Mejora del alcance y la respuesta a nuestros clientes

Los clientes son el corazón de las operaciones de LUMA y de nuestra misión de construir una empresa de servicio público más centrada en el cliente. Como parte de este compromiso, este trimestre:

- Atendimos personalmente a más de **561,013 clientes** en 25 centros de atención al cliente con un tiempo promedio de espera **inferior a nueve** minutos
- Respondimos más de **549,211 llamadas de clientes** con un tiempo promedio de espera de **un minuto**
- Establecimos más de **11,206** acuerdos de **pago con clientes**
- Respondimos más de **71,042** mensajes **directos en redes sociales**



Impulso de proyectos financiados con fondos federales

LUMA está avanzando en proyectos financiados con fondos federales a un ritmo histórico para contribuir a modernizar el sistema eléctrico. Como parte de este compromiso, este trimestre:

- Presentamos **49 proyectos detallados** a FEMA por valor de más de **\$890 millones**, incluidos los proyectos de la Iniciativa de Despeje de la Vegetación, que abordarán la principal causa de las interrupciones del servicio
- Se completó la construcción de **4 proyectos** para un total de 20 proyectos desde el inicio de nuestras operaciones, que representan programas de reparación y conductores de postes de distribución, subestaciones, líneas de transmisión y reemplazo de postes prioritarios de transmisión
- Obtuvimos obligación de fondos de FEMA para **18 proyectos por un valor de más de \$1,300 millones**, entre los que se incluyen tres subestaciones de alta prioridad y el programa para la Infraestructura de Medición Avanzada, con el que se instalarán **contadores inteligentes para los 1.5 millones de clientes de LUMA**

Reparación, restauración y reconstrucción de la red eléctrica

LUMA ha logrado avances reales, significativos y duraderos para mejorar el sistema eléctrico mientras trabajamos para construir un mejor futuro energético para Puerto Rico. Como parte de este compromiso, este trimestre:

- Instalamos de casi **1,300** dispositivos de **automatización de la distribución**
- Sustituimos más de **900** postes dañados
- Sustituimos o reparamos más de **28,000** luminarias y recibimos la obligación de fondos para **nueve proyectos** en Bayamón, Carolina, Coamo, Corozal, Guaynabo, Florida, Las Marías, Mayagüez y Yabucoa
- Reemplazamos **17** estructuras en tres diferentes líneas de transmisión en Bayamón y San Germán



Impulso de la transformación energética sostenible

Nadie ha hecho más para acelerar la transformación de la energía limpia en Puerto Rico que LUMA. Como parte de este compromiso, este trimestre:

- Activamos la medición neta para más de **13,600 sistemas de paneles solares en techos** que **representan 94 MW**
- Lanzamos la Iniciativa **de Intercambio de Energía en Baterías para los Clientes**, un programa diseñado para aprovechar las baterías distribuidas con el fin de reducir las interrupciones del servicio
- Firmamos **13 acuerdos de interconexión de grandes generadores**, con proyectos por un total de 668 MW de generación de energía solar y **200 MW en recursos de almacenamiento de energía**





LUMA Quarterly Report

For the Second Quarter of Fiscal Year 2024

Ending December 31, 2023

LUMAPR.COM

ProgresoDeLUMAPR.COM

Leading the transformation for a cleaner, more reliable, more resilient, and brighter energy future

Across Puerto Rico, the more than 4,500 men and women of LUMA continue to make real, significant, and historic progress toward building a better electric system, including improvements to service reliability, grid resiliency, customer service, and renewable energy, to make a lasting and positive impact on the communities we serve across the island.

LUMA continues working to modernize and transform Puerto Rico's extensive T&D infrastructure to be more reliable, more resilient, cleaner, and more sustainable for customers for years to come. During the second quarter of FY2024, LUMA made significant and tangible progress toward these goals, by moving forward FEMA projects at a historic pace, replacing, or repairing more than 28,000 streetlights, clearing overgrown or hazardous vegetation from 412 miles of T&D rights of way, and installing nearly 1,300 distribution automation devices to reduce the size and impact of service interruptions for customers.

In addition, LUMA continues to improve its customer service, grow its workforce, and prioritize safety in everything it does. For instance, during the second quarter of FY2024, LUMA served over 561,000 customers in person across 25 customer service centers with an average wait time of under nine minutes and responded to over 549,000 customer calls with an average wait time of one minute. Additionally, during this quarter, 1,715 employees completed a combined total of over 4,400 safety training hours, and since its initiation in June 2021, we completed the LUMA Upskill Program to successfully recruit, train and certify over 220 lineworkers who joined LUMA to work on restoring and rebuilding Puerto Rico's electric system safely and efficiently.

LUMA's progress extends beyond the electric grid and improving operational safety and excellence quarter after quarter. LUMA is also fostering a culture of giving back to the community we are fortunate to serve through several local initiatives, including charitable donations, environmental stewardship, and youth empowerment programs.

This report further outlines LUMA's scope of actions and accomplishments for the three-month period from October 1 to December 31, 2023. LUMA remains steadfastly committed to operating responsibly and efficiently with fiscal prudence and continued to operate within budget during Q2 of FY2024.

LUMA operates government-owned T&D assets under a long-term operating agreement administered as part of a public-private partnership overseen by the Puerto Rico Public-Private Partnerships Authority (P3A) and is subject to regulatory oversight by the Puerto Rico Energy Bureau (PREB). This report is submitted as part of our commitment to transparency and as a Puerto Rico T&D OMA requirement.

Prioritizing Safety

There is nothing more important to LUMA than the safety of our co-workers, customers, and communities. In Q2, we provided 339 workshops on electrical safety to a total of 10,201 participants, including 9,750 school participants and 451 first responders around the island.

System Rebuild and Resiliency

In Q2, we continued advancing resiliency projects critical to improving and transforming the electric system by receiving FEMA obligation of funds for 18 projects representing an estimated \$1.3 billion.

Improving Customer Satisfaction

We continue to create new paths to listen to, support, and respond to our customers. In Q2, LUMA developed additional functionality to our customer management system to allow tracking of customer interactions and provide details to customers on how LUMA is addressing a service request.

Operational Excellence

Our skilled workforce continues to grow through an expanded focus on specialized training. During Q2, LUMA provided over 6,000 hours of training in LUMA College for Technical Training's accredited Utility Lineworker Apprenticeship Program.

Sustainable Energy Transformation

We continue to advance renewable energy at a historic pace. During Q2, LUMA executed 13 large generator interconnection agreements, with projects totaling 668 MW of solar generation, and 200 MW of energy storage resources.



Our Mission for Puerto Rico

To recover and transform the utility to deliver customer-centric, reliable, resilient, safe, and sustainable electricity at reasonable prices



PRIORITIZE SAFETY

Reform utility activities to support a strong safety culture focused on employee safety and the safety of the people of Puerto Rico



IMPROVE CUSTOMER SATISFACTION

Transform utility operations to deliver a positive customer experience and reliable electricity at reasonable prices



SYSTEM REBUILD & RESILIENCY

Effectively deploy federal funding to restore the grid and improve the resilience of vulnerable infrastructure



OPERATIONAL EXCELLENCE

Enable employees to pursue operational excellence through new systems, processes, and training



SUSTAINABLE ENERGY TRANSFORMATION

Modernize the grid and the utility to enable the sustainable energy transformation

Progress for Puerto Rico during Fiscal Year 2024

(Data for six months ending December 31, 2023)

Building a Better Energy Future for All LUMA Customers

ENHANCING RELIABILITY

Installed Over

1,600 DISTRIBUTION
AUTOMATION DEVICES,
that reduce customer interruption
minutes



EXPANDING RENEWABLES

Activated Over

26,300 ROOFTOP
SOLAR PANEL SYSTEMS,
representing over **183 MW**



IMPROVING SAFETY

Completed more than

29,800 DIRECT
TRAINING HOURS



INCREASING RESILIENCY

Replaced more than

2,500
BROKEN AND DAMAGED
utility poles



BETTER CUSTOMER SERVICE

Answered over

1,226,138 CALLS
with an average wait time of
one minute



FEDERAL FUNDED PROJECTS

Submitted

116 DETAILED SCOPES
OF WORK, representing an
estimated **\$5.5 billion**





Prioritizing Safety and Training

There is nothing more important to us than the safety of our workers, contractors, and the public. As part of this commitment, this quarter we have:

- After its inauguration in June 2021, **completed the LUMA Upskill Program**—successfully recruiting, training, and certifying over 220 qualifying former PREPA line workers to work on helping to **restore the grid** safely and efficiently
- Conducted **593** Department of Transportation inspections and **214** American National Standards Institute **vehicle compliance inspections**
- Provided 1,251 training hours to 417 employees in **first aid, cardiopulmonary resuscitation**, and the use of **automated external defibrillators**
- Provided **328 electrical safety sessions to 9,750 participants** in schools and 11 sessions to 451 Puerto Rican first responders



Empowering Our Communities

Collaboration, education, and investment continue to be the foundation of our support for communities to empower a better future. As part of this commitment, this quarter LUMA employees:

- **Collected over 700 toys for the Marine Corps Reserve Toys for Tots program** at Fort Buchanan, which were donated to underserved communities
- Volunteered to clean Lake La Plata in Toa Alta, resulting in **over 80 pounds of trash collected** along the **lakeshore and in the recreation area**
- **Donated over 1,200 essential supplies** to **La Fondita de Jesús**, an organization dedicated to transforming the lives of people experiencing homelessness and those who live in vulnerable communities in Puerto Rico
- Donated funds from LUMA's employees and owners through LUMA's Somos Luces program to **The American Cancer Society of Puerto Rico** for facility improvements and to **the Pediatric Cancer Foundation**

Improving Outreach and Response to Our Customers

Customers are at the core of LUMA's operations and our mission to build a more customer-centric utility. As part of this commitment, this quarter we have:

- Served over **561,013 customers** in person across 25 customer service centers with an average wait time of **under nine minutes**
- Answered over **549,211 customer calls** with an average wait time of **one minute**
- Enrolled customers in over **11,206 payment agreements**
- Responded to over **71,042 social media direct messages**



Advancing Federally Funded Projects

LUMA is advancing federally funded projects at a historic rate, helping to modernize the electric system. As part of this commitment, this quarter, we have:

- Submitted **49 detailed scopes of work** to FEMA worth over **\$890 million**, including Vegetation Clearing Initiative projects that will tackle the number one cause of service outages
- Completed construction on **4 projects** for a total of 20 since commencement, representing distribution pole conductor and repair, substation, transmission line, and transmission priority pole replacement programs
- Received FEMA obligation of funds for **18 projects worth over \$1.3 billion**, including **three high-priority substations** and the **Advanced Metering Infrastructure (AMI) program**, which will install smart meters for all 1.5 million LUMA customers

Repairing, Restoring & Rebuilding the Electric Grid

LUMA has made real, significant, and lasting progress to improve the electric system as we work toward building a better energy future for Puerto Rico. As part of this commitment, this quarter we have:

- Installed nearly **1,300 distribution automation devices**
- Replaced over **900 damaged utility poles**
- Replaced or repaired more than **28,000 streetlights** and received obligation of funds for **nine projects** in Bayamón, Carolina, Coamo, Corozal, Guaynabo, Florida, Las Marías, Mayagüez, and Yabucoa
- Replaced **17 structures on three different transmission lines in Bayamón and San Germán**



Empowering the Sustainable Energy Transformation

No one has done more to accelerate the clean energy transformation in Puerto Rico than LUMA. As part of this commitment, this quarter we have:

- Activated net metering for over **13,600 rooftop solar panel systems** representing **94 MW**
- Launched the **Customer Battery Energy Sharing Initiative** which is a program designed to leverage distributed batteries to reduce service interruptions
- Executed **13 large generator interconnection agreements**, representing 668 MW of solar generation and 200 MW of energy storage resources



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Q2 FY2024 Financial Performance

As of December 31, 2023, LUMA was under budget for the rate-funded component of LUMA's budgets in the second quarter (Q2) of Fiscal Year 2024 (FY2024), spending 42% of its annual operational and non-federally funded capital budgets.

Summary of Q2 of FY2024 Spending

(\$ millions)

	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Transmission & Distribution²							
Operating Expenditures	\$ 560.3	\$ 135.5	\$ 121.3	\$ 270.2	\$ 229.2	\$ 41.0	
Non-Federally Funded Capital Expenditures	\$ 91.1	\$ 29.3	\$ 22.5	\$ 49.3	\$ 49.3	\$ 0.0	
Energy Efficiency Programs ³	\$ 11.5	\$ 3.8	\$ 0.1	\$ 3.8	\$ 0.1	\$ 3.7	
Subtotal	\$ 662.9	\$ 168.6	\$ 143.9	\$ 323.3	\$ 278.6	\$ 44.7	14%
Federally Funded Capital Expenditures	\$ 802.6	\$ 187.3	\$ 166.6	\$ 328.6	\$ 329.8	\$ (1.2)	(0.4%)

¹ FY2024 Budget figures above include a 2% reserve for excess expenditures and interim costs and expenses.

² Figures may not add due to rounding.

³ The Energy Efficiency (EE) spend in Q2 was primarily on administrative activities to contract and scope the awarded EE Program Implementation vendor. Spending of allocated EE funds will substantially accelerate in coordination with the launch of customer facing programs and incentives in Q3 & Q4. Energy Efficiency Programs details are being reported under docket no. NEPR-MI-2022-0001.

Energy Consumption and Base Revenue

The following table outlines the total consumption and base revenues forecasted amounts compared to quarter and year-to-date actuals:

	FY2024 Forecast	Q2 Forecast	Q2 Actuals	YTD Forecast	YTD Actuals	YTD Variance
Total Consumption (GWh)	15,466	3,921	4,365	8,099	9,101	1,003
Base Revenue (millions) ¹	\$ 1,112	\$ 281	\$ 294	\$ 575	\$ 608	\$ 34

¹ Base revenue does not include revenue billed for fuel adjustment, purchased power, contribution in lieu of taxes, and subsidies.

Transmission & Distribution Operating Expenditures

(\$ millions)

	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Labor							
Salaries, Wages and Benefits	254.2	59.9	54.2	119.8	104.1	15.7	
Total Labor	\$ 254.2	\$ 59.9	\$ 54.2	\$ 119.8	\$ 104.1	\$ 15.7	13%
Non-Labor							
Materials & Supplies	40.7	10.7	8.6	20.2	14.7	5.5	
Transportation, Per Diem, and Mileage	15.3	3.4	(2.4)	6.6	(3.2)	9.8	
Property & Casualty Insurance	19.5	4.9	5.2	9.7	9.9	(0.2)	
Security	6.2	1.5	1.5	3.1	3.2	(0.1)	
IT Service Agreements	28.1	6.9	6.6	14.1	12.6	1.5	
Utilities & Rents	6.9	1.7	4.0	3.4	7.6	(4.2)	
Legal Services	10.0	2.5	2.4	5.0	4.4	0.6	
Communications Expenses	1.5	0.3	0.2	0.7	0.2	0.5	
Professional & Technical Outsourced Services	102.3	24.9	24.1	49.8	42.3	7.5	
Vegetation Management	50.0	12.5	14.4	25.0	28.8	(3.8)	
Other Miscellaneous Expenses	14.6	3.7	2.5	7.5	4.6	2.9	
Total Non-Labor / Other Operating Expense	\$ 295.1	\$ 73.0	\$ 67.1	\$ 145.1	\$ 125.1	\$ 20.0	14%
Subtotal	\$ 549.3	\$ 132.9	\$ 121.3	\$ 264.9	\$ 229.2	\$ 35.7	13%
2% Reserve for Excess Expenditures	11.0	2.6	-	5.3	-	5.3	
Total Operating Expenditures	\$ 560.3	\$ 135.5	\$ 121.3	\$ 270.2	\$ 229.2	\$ 41.0	15%

¹ Figures may not add due to rounding.

Operating Expenditures by Department

Customer Experience Operational Expenditures

LUMA's Customer Experience Department is core to LUMA's mission to deliver customer-centric, reliable, resilient, safe, and sustainable electricity. By implementing appropriate communication protocols and standard billing and collection practices, LUMA has served customers courteously, captured efficiencies, and created proactive solutions.

(\$ millions)

	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Labor							
Salaries, Wages and Benefits	51.1	12.8	10.1	25.5	20.7	4.8	
Total Labor	\$ 51.1	\$ 12.8	\$ 10.1	\$ 25.5	\$ 20.7	\$ 4.8	19%
Non-Labor							
Materials & Supplies	0.3	0.1	-	0.2	0.1	0.1	
Transportation, Per Diem, and Mileage	0.7	0.2	0.1	0.4	0.2	0.2	
Property & Casualty Insurance	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
IT Service Agreements	0.2	0.1	-	0.1	-	0.1	
Utilities & Rents	0.1	-	0.1	-	0.1	(0.1)	
Legal Services	0.1	0.1	-	0.1	-	0.1	
Communications Expenses	0.2	-	-	0.1	-	0.1	
Professional & Technical Outsourced Services	35.1	8.7	7.3	17.5	16.1	1.4	
Vegetation Management	-	-	-	-	-	-	
Other Miscellaneous Expenses	-	-	-	-	0.1	(0.1)	
Total Non-Labor / Other Operating Expense	\$ 36.7	\$ 9.2	\$ 7.5	\$ 18.4	\$ 16.6	\$ 1.8	10%
Total Operating Expense	\$ 87.8	\$ 22.0	\$ 17.6	\$ 43.9	\$ 37.3	\$ 6.6	15%

¹ Figures may not add due to rounding.

Key activities accomplished during Q2 FY2024:

- Served 561,013 customers in contact centers with an average wait time of under nine minutes and answered 549,211 calls with an average time of one minute
- Activated net metering for 13,604 rooftop solar panel systems representing 94 megawatts (MW) of clean energy
- Improved the interactive voice response (IVR) functionality to enable customers to “avoid the queue” and save time if desired by realigning IVR selections based on customer usage; customers may select to hear about planned upgrade outages (48 hours in advance), opt for agentless reporting of outages and objecting to bills, and receive SMS text confirmation of customers’ work requests and outages ticket numbers
- Commenced sending 30-day notice letters and worked with residential customers to avoid disconnections for non-payment
- Increased payments received by \$18 million, processed more than \$19 million in low-income assistance funding and enrolled 11,206 customers in payment agreements
- Launched the Battery Demand Response pilot program and webpage, designed to leverage customer battery storage systems to increase the supply of energy available to the electricity grid during peak demand
- Onboarded electric vehicle-time-of-use rate vendor; began electric vehicle-time-of-use platform design and development
- Completed launch of the distributed generation portal and developed new automation for effectively processing incoming supplemental studies through the portal
- Began development of ConexiónLUMA Phase 1.1 for net energy metering; specifically, enhancements were done to aggregate feedback from developers in the portal
- As reported on June 6, 2023, LUMA enables customer service representatives to respond to non-emergency calls during emergencies

The primary drivers for the \$6.6 million favorable year-to-date variance for Customer Experience operating expenditures are labor savings due to higher call center productivity, slowed hiring, and the timing of professional and technical outsourced services relating to customer care and billing system configuration.

Operations Operating Expenditures

The Operations Department oversees and manages the day-to-day work on the transmission and distribution (T&D) infrastructure, which is critical to providing a safe and reliable electric service to all our 1.5 million customers. Overall, LUMA's highest priority in operations continues to be the safety of our workforce and our customers while taking actions to address maintenance and repairs, improving reliability and resiliency overall.

(\$ millions)

	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Labor							
Salaries, Wages and Benefits	136.0	31.0	27.1	62.2	47.2	15.0	
Total Labor	\$ 136.0	\$ 31.0	\$ 27.1	\$ 62.2	\$ 47.2	\$ 15.0	24%
Non-Labor							
Materials & Supplies	37.3	9.7	7.5	18.4	12.7	5.7	
Transportation, Per Diem, and Mileage	10.8	2.3	(3.4)	4.3	(6.7)	11.0	
Property & Casualty Insurance	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
IT Service Agreements	2.6	0.6	0.1	1.4	0.2	1.2	
Utilities & Rents	2.0	0.5	0.9	1.0	1.9	(0.9)	
Legal Services	-	-	-	-	-	-	
Communications Expenses	0.2	0.1	0.1	0.1	0.1	-	
Professional & Technical Outsourced Services	19.2	4.3	3.0	8.5	4.1	4.4	
Vegetation Management	50.0	12.5	14.4	25.0	28.8	(3.8)	
Other Miscellaneous Expenses	6.1	1.4	0.1	3.1	0.5	2.6	
Total Non-Labor / Other Operating Expense	\$ 128.2	\$ 31.4	\$ 22.7	\$ 61.8	\$ 41.6	\$ 20.2	33%
Total Operating Expense	\$ 264.2	\$ 62.4	\$ 49.8	\$ 124.0	\$ 88.8	\$ 35.2	28%

¹ Figures may not add due to rounding.

Key activities accomplished during Q2 FY2024:

- Completed 83,066 service orders and replaced over 28,000 streetlights and 900 poles; changed 4,529 meters and added 3,889 new meters
- Cleared vegetation from transmission and distribution lines, which account for 412 miles of rights of way
- Began synchronization and testing for the 26 MW Punta Lima Wind Farm
- Provided 372 hours of fire extinguisher use training to 93 employees, including mechanics, administrative assistants, supervisors, and managers
- Replaced insulation and hardware for one hundred seventy-four 38 kilovolts (kV) structures and ninety-eight 115 kV structures
- Replaced nine 38 kV structures and four 115 kV structures
- Maintained and replaced forty-four 38 kV switches and twenty-four 115 kV switches
- Repaired hot spots (a localized area of high temperature that can indicate a potential failure or damage) on thirty 38 kV, twenty-seven 115 kV, and one 230 kV
- Conducted training for the substation apprenticeship program personnel on new oil processing machines
- Completed 33 substation remote metering equipment inspections
- Deployed default estimated time of restoration and update process in the Outage Management System (OMS) in preparation for customer notifications via text messages
- Trained nearly 150 apprentice line workers through LUMA's pre-apprenticeship program and helped them transition to LUMA's Department of Labor-accredited Utility Lineworker Apprenticeship Program
- Provided over 6,000 hours of training delivered at LUMA College, with 38 employees in the Substation Apprenticeship Program and 24 employees in the Underground Apprentice Program; 31 employees passed the pre-apprentices courses

The primary drivers for the \$35.2 million favorable year-to-date variance for Operations operating expenditures were lower than budgeted salaries, wages, benefits, materials and supplies, transportation, per diem, and mileage expenses. This is

related to resources being redeployed to emergency response and outage restoration efforts. Vegetation management expenses were higher than budget due to a planned ramp-up of personnel and activities during the first half of the fiscal year. LUMA plans to manage these activities in the second half of FY2024 to stay within budget.

LUMA Electrical Utility Field Workers

LUMA provides a quarterly status of electrical utility field workers, including those qualified to work on energized lines.

Electrical Utility Field Worker Type	Electrical Utility Field Worker as of December 31, 2023 ³
Utility electrician	112
Utility lineworker 1	0
Utility lineworker 2 ²	0
Apprentice underground technician	25
Underground Technician	10
Apprentice substation technician ²	40
Substation technician ¹	74
Senior substation technician ¹	9
Meter technicians	26
Low-voltage technician	115
Foreman ¹	98
Foreman - low voltage	39
Apprentice lineworker, 1st period	27
Apprentice lineworker, 2nd period	35
Apprentice lineworker, 3rd period	55
Apprentice lineworker, 4th period ²	36
Apprentice lineworker, 5th period ²	30
Apprentice lineworker, 6th period ²	9
Journeyman lineworker ¹	365
Total	1105

¹ Electrical utility field workers that can work on energized lines.

² Electrical utility field workers that can work on energized lines with a journeyman lineworker or journeyman substation technician present.

³ The figures include the number of full-time equivalents and do not include groundmen, operators, and laborers that support electrical utility field workers.

Understanding that employee counts fluctuate at any given time, LUMA continues to hire and develop electrical utility field workers to meet the requirements of the T&D System. LUMA had 1,105 full-time equivalent electrical utility field workers employed as of December 31, 2023, compared to a budgeted amount of 1,217. We closely monitor the LUMA workforce to ensure turnover is within reasonable parameters and continue efforts to attract and retain the best talent.

LUMA is implementing various initiatives to attract and recruit talent amid an overall deficit of qualified technical and electrical field workers throughout the electric utility industry in North America and in international markets. We partner with local external search firms and initiated a program to solicit top candidates from the Caribbean, Central, and South

America to bring employees on board with the skillset, knowledge, and expertise needed. We continue to make progress towards a more stable and qualified local workforce to fully support our operations and continued growth.

Utility Transformation Operating Expenditures

LUMA's Utility Transformation Department provides the technical, engineering, and programmatic framework required to deliver safe, reliable, resilient, and clean energy service to our 1.5 million customers. The department supports key initiatives defined in the System Remediation Plan and focuses on the long-range vision articulated in the Integrated Resource Plan. This department also plans and implements capital investment programs, including all federally funded work on the electric grid.

(\$ millions)

	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Labor							
Salaries, Wages and Benefits	13.8	3.4	4.4	6.8	9.7	(2.9)	
Total Labor	\$ 13.8	\$ 3.4	\$ 4.4	\$ 6.8	\$ 9.7	\$ (2.9)	(43%)
Non-Labor							
Materials & Supplies	0.5	0.1	0.4	0.3	0.6	(0.3)	
Transportation, Per Diem, and Mileage	2.4	0.6	0.3	1.2	2.2	(1.0)	
Property & Casualty Insurance	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
IT Service Agreements	0.4	-	-	0.1	-	0.1	
Utilities & Rents	0.3	0.1	1.5	0.2	2.6	(2.4)	
Legal Services	-	-	-	-	-	-	
Communications Expenses	-	-	-	-	-	-	
Professional & Technical Outsourced Services	1.6	0.4	1.2	0.8	1.3	(0.5)	
Vegetation Management	-	-	-	-	-	-	
Other Miscellaneous Expenses	0.5	0.3	0.3	0.4	0.2	0.2	
Total Non-Labor / Other Operating Expense	\$ 5.7	\$ 1.5	\$ 3.7	\$ 3.0	\$ 6.9	\$ (3.9)	(130%)
Total Operating Expense	\$ 19.5	\$ 4.9	\$ 8.1	\$ 9.8	\$ 16.6	\$ (6.8)	(69%)

¹ Figures may not add due to rounding.

Key activities accomplished during Q2 FY2024:

- Processed 200 third-party administrator attachment applications for telecommunication equipment (totaling 9,951 poles) to ensure compliance with the codes and standards of the National Electrical Safety Code
- Installed nearly 1,300 distribution automation devices that reduce customer interruption minutes
- Replaced over 900 broken and damaged utility poles improving island infrastructure
- Replaced or repaired more than 28,000 streetlights and received obligation of funds for projects in Bayamón, Carolina, Coamo, Corozal, Guaynabo, Florida, Las Marías, Mayagüez, and Yabucoa
- Replaced 12 transmission and distribution circuit breakers, including five that were previously out of service
- Submitted 13 detailed scopes of work to FEMA for the obligation of funds to execute the island-wide capital Vegetation Clearing Initiative
- Partnered with universities to identify the next class of LUMA interns who started in January 2024; the internship program was expanded to include a collaboration with community colleges
- Launched LUMA's Center of Excellence in November, which is a collaborative hub for emerging engineers from Puerto Rico and the United States to connect with peers and industry experts

The primary driver for the \$6.8 million unfavorable year-to-date variance for Utility Transformation is driven by a higher allocation to operations versus capital expenditures.

Support Services Operating Expenditures

LUMA's Support Service functions enable electric service delivery by supporting the entire enterprise. These functions include safety, emergency management, Information Technology and Operations Technology (IT OT), environmental, legal, procurement, regulatory, finance, and other areas that are imperative to LUMA's success in meeting its mission and achieving its key goals.

(\$ millions)

	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Labor							
Salaries, Wages and Benefits	53.3	12.7	12.6	25.3	26.5	(1.2)	
Total Labor	\$ 53.3	\$ 12.7	\$ 12.6	\$ 25.3	\$ 26.5	\$ (1.2)	(5%)
Non-Labor							
Materials & Supplies	2.6	0.8	0.7	1.3	1.3	-	
Transportation, Per Diem, and Mileage	1.4	0.3	0.6	0.7	1.1	(0.4)	
Property & Casualty Insurance	19.5	4.9	5.2	9.7	9.9	(0.2)	
Security	6.2	1.5	1.5	3.1	3.2	(0.1)	
IT Service Agreements	24.9	6.2	6.5	12.5	12.4	0.1	
Utilities & Rents	4.5	1.1	1.5	2.2	3.0	(0.8)	
Legal Services	9.9	2.4	2.4	4.9	4.4	0.5	
Communications Expenses	1.1	0.2	0.1	0.5	0.1	0.4	
Professional & Technical Outsourced Services	46.4	11.5	12.6	23.0	20.8	2.2	
Vegetation Management	-	-	-	-	-	-	
Other Miscellaneous Expenses	8.0	2.0	2.1	4.0	3.8	0.2	
Total Non-Labor / Other Operating Expense	\$ 124.5	\$ 30.9	\$ 33.2	\$ 61.9	\$ 60.0	\$ 1.9	3%
Total Operating Expense	\$ 177.8	\$ 43.6	\$ 45.8	\$ 87.2	\$ 86.5	\$ 0.7	1%

¹ Figures may not add due to rounding.

Key activities accomplished during Q2 FY2024:

- Optimized employee performance by providing over 4,400 training hours, of which 1,251 hours were explicitly for first aid, cardiopulmonary resuscitation, and use of an automated external defibrillator training to 417 employees; initiated isolate and insulate training for 288 employees, among whom were linemen, foremen, and supervisors; and provided other comprehensive training for a total of 1,715 employees in the second quarter
- Delivered 328 electrical safety sessions to 9,750 participants in schools and 11 sessions to 451 first responders around the island, for a total of 339 sessions
- Performed recruitment efforts, including job fairs at different universities to bring employees on board with the skillset, knowledge, and expertise needed to support our operations, which resulted in 203 new employees
- Implemented a new procurement manual, and deployed training on the process, procedures, systems, and tools for an improved procurement process
- Improved cybersecurity threat hunting by monitoring internal traffic and conducted LUMA's second energy cyber tabletop exercise in collaboration with the Cybersecurity and Infrastructure Security Agency
- Continued negotiations with telecommunication companies and discussions with government stakeholders and regulators regarding signing a joint pole-use agreement
- Executed 13 large generator interconnection agreements, representing 668 MW of solar generation and 200 MW of energy storage resources
- Conducted 17 workshops with stakeholders across the Island to structure the final objectives and scenarios of the 2024 Integrated Resources Plan.

The primary driver for the \$0.7 million favorable year-to-date variance for Support Services operating expenditures is lower than budgeted professional and technical services expenses related to the timing of regulatory support activities. This is partially offset by higher than budgeted IT salaries, wages, and benefits expenses that were allocated to operational as opposed to capital expenditures.

FY2024 Improvement Programs

On June 1, 2021, LUMA assumed operations of Puerto Rico's electric T&D system, inheriting a precarious, mismanaged, and neglected electric system. Since the grid could not be operated immediately under minimum industry standards and Prudent Utility Practice, LUMA assessed the grid's state and designed Improvement Programs¹ to address the gaps identified before commencing operations. Most programs are designed to bring the utility's operations and assets up to a minimum industry standard as part of the System Remediation Plan. Each Improvement Program spend includes operating expenditures and capital costs within the FY2024 budget and is included in the 2023 Fiscal Plan approved by the Federal Oversight & Management Board for Puerto Rico in June 2023. For each improvement program listed below, LUMA includes key activities for the quarter, a variance explanation for year-to-date spending, and if we expect a variance in achieving program milestones. Unless otherwise noted, we do not expect variance in achieving program milestones.

Improvement Portfolio Summary

(\$ millions)

Portfolio	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Customer Experience	150.9	31.9	51.2	72.7	94.0	(21.3)	(29%)
Distribution	242.8	54.8	72.3	111.1	159.4	(48.3)	(43%)
Transmission	131.3	31.9	21.8	43.2	39.2	3.9	9%
Substation	131.9	30.4	26.8	61.7	55.5	6.1	10%
Control Center & Buildings	43.2	12.2	5.6	22.0	10.1	11.9	54%
Enabling	266.0	70.9	37.3	101.2	68.5	32.7	32%
Support Services	21.7	8.4	3.1	14.7	6.3	8.3	57%
Total	\$ 987.8	\$ 240.5	\$ 218.1	\$ 426.5	\$ 433.2	\$ (6.6)	(3%)

¹ Figures may not add due to rounding.

¹ These programs were developed in late 2020, subsequently reviewed and approved by P3 Authority, and then reviewed and approved by the Energy Bureau as part of the Initial Budgets in docket NEPR-MI-2021-0004 and the System Remediation Plan in docket NEPR-MI-2020-0019. Within these programs, specific project initial scopes of work for federally funded projects have been submitted for review and approval by the Energy Bureau in docket NEPR-MI-2021-0002. Detailed information on the budget, the System Remediation Plan and the implementation of federally funded capital investments is publicly available on Puerto Rico Energy Bureau's website for the corresponding dockets.

Capital Expenditures by Funding

Transmission & Distribution Capital Expenditures — Federally Funded

(\$ millions)

Improvement Portfolio	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Customer Experience	121.9	24.4	45.0	58.3	82.2	(23.9)	
Distribution	215.9	48.4	67.8	99.0	143.1	(44.1)	
Transmission	130.4	31.8	21.6	42.8	38.9	3.9	
Substations	114.6	25.9	20.6	53.2	45.3	8.0	
Control Center & Buildings	38.7	11.2	5.0	20.0	8.2	11.9	
Enabling	157.2	37.3	6.6	42.4	12.1	30.3	
Support Services	8.2	4.7	0.0	6.3	0.1	6.2	
Subtotal	\$ 786.9	\$ 183.6	\$ 166.6	\$ 322.1	\$ 329.8	\$ (7.7)	(2%)
Other							
2% Reserve for Excess Expenditures	15.7	3.7	-	6.4	-	6.4	
Total Capital Expenditures	\$ 802.6	\$ 187.3	\$ 166.6	\$ 328.6	\$ 329.8	\$ (1.2)	(0%)

¹ Figures may not add due to rounding.

Transmission & Distribution Capital Expenditures — Non-Federally Funded

(\$ millions)

Improvement Portfolio	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Customer Experience	12.0	3.2	1.5	5.8	4.4	1.3	
Distribution	26.9	6.4	4.5	12.1	16.3	(4.2)	
Transmission	0.6	0.2	0.1	0.3	0.2	0.1	
Substations	16.1	3.9	5.5	7.8	9.6	(1.7)	
Control Center & Buildings	3.7	0.8	0.5	1.6	1.6	(0.0)	
Enabling	23.5	12.2	9.7	16.1	15.0	1.1	
Support Services	6.5	2.0	0.7	4.6	2.2	2.4	
Subtotal	\$ 89.3	\$ 28.8	\$ 22.5	\$ 48.3	\$ 49.3	\$ (1.0)	(2%)
Other							
2% Reserve for Excess Expenditures	1.8	0.6	-	1.0	-	1.0	
Total Capital Expenditures	\$ 91.1	\$ 29.3	\$ 22.5	\$ 49.3	\$ 49.3	\$ 0.0	0%

¹ Figures may not add due to rounding.

The financial information provided within this report has not been subject to audit, and this information is not appropriate for unintended purposes. The limitations and lack of integration of PREPA's financial and related systems and identified pre-existing control gaps may also affect the overall accuracy of reported results.

Customer Experience Improvement Portfolio Summary

The **Customer Experience Improvement Portfolio** focuses on enhancing the customer experience, including Distribution Streetlighting, Billing Accuracy and Back Office, Advanced Metering Infrastructure (AMI) Implementation, and Distribution Meter Replacement & Maintenance programs.

(\$ millions)

Program	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Distribution Streetlighting	\$ 119.9	\$ 23.9	\$ 44.2	\$ 57.4	\$ 81.1	\$ (23.7)	
Federally Funded	119.9	23.9	44.2	57.4	81.1		
Non-Federally Funded	-	-	0.0	-	0.0		
OpEx	-	-	-	-	-		
SRP	45.6	8.2	16.8	20.9	30.8		
Billing Accuracy & Back Office	\$ 13.9	\$ 3.4	\$ 4.7	\$ 7.3	\$ 7.5	\$ (0.2)	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	0.7	0.0	0.2	0.6	0.5		
OpEx	13.2	3.3	4.5	6.7	6.9		
SRP	12.2	3.0	4.1	6.2	6.5		
Distribution Meter Replacement & Maintenance	\$ 8.5	\$ 2.7	\$ 1.1	\$ 4.3	\$ 3.8	\$ 0.4	
Federally Funded	-	-	-	-	0.0		
Non-Federally Funded	8.3	2.6	1.1	4.2	3.7		
OpEx	0.2	0.0	0.0	0.1	0.1		
SRP	-	-	-	-	-		
AMI Implementation Program	\$ 3.4	\$ 0.7	\$ 0.8	\$ 1.3	\$ 1.1	\$ 0.2	
Federally Funded	1.9	0.5	0.8	1.0	1.1		
Non-Federally Funded	1.5	0.2	-	0.4	-		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
Programs <5% of Portfolio Total	\$ 5.1	\$ 1.2	\$ 0.4	\$ 2.5	\$ 0.5	\$ 1.9	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	1.4	0.3	0.2	0.7	0.2		
OpEx	3.7	0.9	0.2	1.8	0.4		
SRP	-	-	-	-	-		
Total	\$ 150.9	\$ 31.9	\$ 51.2	\$ 72.7	\$ 94.0	\$ (21.3)	-29%

¹ Figures may not add due to rounding.

The **Distribution Streetlighting** program upgrades and replaces distribution streetlights. Key Q2 FY2024 activities included submitting 36 initial scopes of work and 17 detailed scopes of work to FEMA. LUMA received funding obligations for nine streetlighting projects in Bayamón, Carolina, Coamo, Corozal, Florida, Guaynabo, Las Marías, Mayagüez, and Yabucoa. The program completed more than 65,000 assessments and the modernization of over 28,000 luminaires. Total spend year to date was higher than budgeted due to the execution of an additional 71,000 assessments and 15,000 luminaire replacements that were not forecasted in the FY2024 budget.

The **Billing Accuracy and Back Office** program includes updates to printing, delivery of bills, and back-office systems to improve invoicing accuracy and their timely issuance to customers. Key Q2 FY2024 activities included completing testing for DOC 1 migration, which will enable the sunset of antiquated software and result in cost savings, increasing payments received by \$18 million in November, continuing work on customer care and billing system optimization initiatives with a third-party vendor, processing more than \$19 million in low-income assistance funding, activating more than 12,000 customers on the net metering tariff, increasing billed services by more than 20,000 service agreements compared to the same quarter of FY2022, and nearly completing the testing for a new estimation algorithm that will improve overall billing quality and reduce the number of billing exceptions produced monthly. Total spend was more than anticipated in an effort to maintain timelines for the customer care and billing system optimization phase 2 work plan. Delays in contract approval are creating challenges to complete the remaining efforts by the end of FY2024. We are actively working to address these challenges, but we anticipate that the delays may result in some activities deferment to FY2025.

The **Distribution Meter Replacement and Maintenance** program deals with correcting, replacing, and maintaining distribution meters. Key Q2 FY2024 activities included installing 8,932 bidirectional meters, along with 4,529 meter changes and 3,889 new meters. To keep the current remote reading equipment operational, we performed 431 inspections of the communication equipment in the substations and installed 100% of the communication card updates.



The total spend was lower than anticipated; nonetheless, it is expected that after some cost reclassification and completion of several purchase orders we will meet our budget for the year. We will also modify this program as a result of the advanced metering infrastructure approval and will replace these meters with the new technology.

The **Advanced Metering Infrastructure (AMI) Implementation** program establishes a two-way communication system to collect detailed metering information throughout the utility's service territory. It represents a foundational technology to enable enhanced resiliency and reliability. This program is comprised of installing approximately 1.5 million smart meters, building a digital communications network, and integrating a head end and meter data management system. Key Q2 FY2024 activities included receiving obligation for AMI funding from FEMA worth over \$870 million and evaluating proposals received for meter and installation services request for proposal. Total spend year to date was lower than budget due to a slower ramp-up in spending than was contemplated in the FY2024 budget.

Distribution Improvement Portfolio Summary

The **Distribution Improvement Portfolio** focuses on improving the distribution system, including Distribution Pole & Conductor Repair, Distribution Line Rebuild, and Distribution Automation programs.

(\$ millions)

Program	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Distribution Automation	\$ 84.4	\$ 15.7	\$ 35.1	\$ 32.3	\$ 50.8	\$ (18.5)	
Federally Funded	80.7	14.8	33.5	30.4	47.5		
Non-Federally Funded	3.7	0.9	1.6	1.9	3.3		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
Distribution Line Rebuild	\$ 82.2	\$ 21.0	\$ 16.4	\$ 41.8	\$ 36.6	\$ 5.2	
Federally Funded	65.0	17.0	13.4	34.5	30.3		
Non-Federally Funded	17.2	4.0	2.9	7.3	6.3		
OpEx	-	-	-	-	(0.0)		
SRP	58.3	14.9	11.6	29.5	25.9		
Distribution Pole & Conductor Repair	\$ 73.7	\$ 17.5	\$ 18.8	\$ 35.8	\$ 67.9	\$ (32.1)	
Federally Funded	67.7	16.0	18.8	32.8	61.1		
Non-Federally Funded	6.0	1.5	(0.0)	3.0	6.8		
OpEx	-	-	-	-	-		
SRP	73.7	18.4	18.8	36.7	67.9		
Distribution Lines Assessment	\$ 2.5	\$ 0.6	\$ 2.1	\$ 1.2	\$ 4.1	\$ (2.8)	
Federally Funded	2.5	0.6	2.1	1.2	4.1		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	2.5	0.6	2.1	1.2	4.1		
Total	\$ 242.8	\$ 54.8	\$ 72.3	\$ 111.1	\$ 159.4	\$ (48.3)	-43%

¹ Figures may not add due to rounding.

The **Distribution Automation** program focuses on the deployment of distribution automation equipment. This includes the installation of intelligent switch fuses, fault indicators, and reclosers on select feeders to reduce the number of customer interruptions per outage occurrence. The program includes engineering activities to enable the deployment of the equipment mentioned above. Key Q2 FY2024 activities included the installation of nearly 1,300 distribution devices which included 180 distribution poles as well as the load data gathering for 54 feeders. The total spend year to date was higher than the budget due to the increase in the required scope per location. The program had a milestone to complete in the first half of FY2024 to begin the deployment of fault sensors. However, this commitment has been extended to the first half of FY2025 due to delays in procuring materials.

The **Distribution Line Rebuild** program replaces overhead and underground distribution lines to improve reliability and resiliency, restores out-of-service circuits, completes unfinished circuit construction presently abandoned, performs circuit voltage conversions to improve distribution capacity, builds new distribution line extensions to connect new customers, and installs underground cable or tree wiring to improve service reliability and resiliency to critical customers. Key Q2 FY2024 activities included revising and resubmitting 23 detailed scopes of work. Total spend year to date was lower than budget due to detailed designs taking longer than expected as work was reprioritized in order to accelerate construction dates on the worst-performing reliability feeders.

The **Distribution Pole and Conductor Repair** program focuses on minimizing the safety hazard caused by damaged primary distribution poles and conductors and improving the distribution infrastructure's reliability and resilience. Major repairs and replacements are based on the results of engineering assessments. Key Q2 FY2024 activities included four detailed scopes of work totaling 1,327 poles for FEMA obligation of funds and completing more than 200 pole installations and ten repairs. The total spend year to date was higher than budget due to the acceleration of assessments, distribution pole, and conductor repairs, and more poles being replaced on an emergency basis.

Transmission Improvement Portfolio Summary

The **Transmission Improvement Portfolio** focuses on improving system recovery, resilience, and transformation through the Transmission Line Rebuild program, IT OT Telecom Systems and Network program, and the Transmission Priority Pole Replacements programs.

(\$ millions)

Program	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Transmission Line Rebuild	\$ 77.9	\$ 18.1	\$ 10.2	\$ 21.9	\$ 20.2	\$ 1.7	
Federally Funded	77.3	18.0	10.1	21.6	20.0		
Non-Federally Funded	0.6	0.2	0.1	0.3	0.2		
OpEx	-	-	-	-	-		
SRP	34.8	8.3	4.5	11.5	9.0		
IT OT Telecom Systems & Network	\$ 30.3	\$ 7.2	\$ 1.3	\$ 9.5	\$ 2.6	\$ 6.9	
Federally Funded	30.0	7.2	1.3	9.4	2.4		
Non-Federally Funded	-	-	-	-	-		
OpEx	0.3	0.0	0.1	0.0	0.1		
SRP	30.3	7.2	1.3	9.5	2.6		
Transmission Priority Pole Replacements	\$ 21.8	\$ 6.2	\$ 9.7	\$ 11.2	\$ 15.7	\$ (4.5)	
Federally Funded	21.8	6.2	9.7	11.2	15.7		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	21.8	6.2	9.7	11.1	15.7		
Programs <5% of Portfolio Total	\$ 1.3	\$ 0.3	\$ 0.5	\$ 0.6	\$ 0.8	\$ (0.2)	
Federally Funded	1.3	0.3	0.5	0.6	0.8		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	1.3	0.3	0.5	0.6	0.8		
Total	\$ 131.3	\$ 31.9	\$ 21.8	\$ 43.2	\$ 39.2	\$ 3.9	9%

¹ Figures may not add due to rounding.

The **Transmission Line Rebuild** program focuses on rebuilding, hardening, and upgrading the 230 kV, 115 kV, and 38 kV transmission infrastructure. Key Q2 FY2024 activities included the replacement of six transmission structures on line 36100, which is one of the worst-performing transmission lines. This will continue to improve reliability for customers served by this line. Total spend year to date was lower than budget because of the distribution area planning studies, which were budgeted under this program but are now being completed under the Compliance and Studies program. In addition, certain network upgrades have been delayed as projects still require FEMA obligation of funds, are dependent on Tranche 1 project development, and require approval from the Puerto Rico Energy Bureau. These amounts are partially offset by additional work originally budgeted in the Transmission Priority Replacement program.

The **IT OT Telecom Systems & Network** program includes investments to improve the systems that carry T&D and substation IT OT data. Key Q2 FY2024 activities included repairing four microwave links supporting the synchronous optical networking protocol backbone that provides communications from the substations to the control center. LUMA also issued a request for a proposal for microwave backbone repairs covering 65 links across the island. The total spend year to date was lower than the budget as projects require obligation from FEMA before proceeding with ordering materials and construction.

The **Transmission Priority Pole Replacement** program includes activities to replace damaged overhead transmission poles, towers, and associated hardware and conductors. Key Q2 FY2024 activities included submitting three initial scopes of work and two detailed scopes of work to FEMA for an obligation of funds for ten structure replacements and six critical repairs. LUMA also replaced 17 structures on three different transmission lines (9800, 13300, and 13400) and installed seven pole bases on the transmission line 6700. Total spend year to date was higher than budget due to the acceleration

of assessments, structure replacements, repairs and vegetation clearing. This was partially offset due to construction activities that were budgeted under this program but are now being completed under the Transmission Line Rebuild program.

Substations Improvement Portfolio Summary

The **Substation Improvement Portfolio** aims to improve system resiliency and safety while rebuilding, hardening, and modernizing substations through the Substation Rebuilds, Substation Security, and Substation Reliability programs.

(\$ millions)

Program	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Substation Rebuilds	\$ 81.9	\$ 17.2	\$ 13.6	\$ 35.5	\$ 28.4	\$ 7.1	
Federally Funded	80.0	16.7	13.4	34.6	27.8		
Non-Federally Funded	1.9	0.5	0.2	0.9	0.6		
OpEx	-	-	-	-	-		
SRP	57.9	14.1	9.6	26.2	20.1		
Substation Reliability	\$ 34.5	\$ 8.3	\$ 11.1	\$ 16.5	\$ 22.7	\$ (6.2)	
Federally Funded	21.0	4.9	5.9	9.8	13.9		
Non-Federally Funded	13.5	3.4	5.2	6.8	8.8		
OpEx	-	-	0.0	-	0.0		
SRP	-	-	-	-	-		
Substation Security	\$ 15.3	\$ 4.9	\$ 2.0	\$ 9.6	\$ 4.2	\$ 5.3	
Federally Funded	13.7	4.3	1.3	8.9	3.5		
Non-Federally Funded	0.5	0.1	0.0	0.1	0.0		
OpEx	1.1	0.6	0.7	0.6	0.7		
SRP	13.5	4.5	1.8	8.6	3.7		
Programs <5% of Portfolio Total	\$ 0.3	\$ 0.1	\$ 0.0	\$ 0.1	\$ 0.2	\$ (0.1)	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	0.3	0.1	0.0	0.1	0.2		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
Total	\$ 131.9	\$ 30.4	\$ 26.8	\$ 61.7	\$ 55.5	\$ 6.1	10%

¹ Figures may not add due to rounding.

The **Substation Rebuild** program focuses on improving T&D substations to strengthen the electric grid. Key Q2 FY2024 activities included submitting four detailed scopes of work to FEMA for funding obligation. LUMA also installed and energized breakers in Aguirre, Añasco, Dagua, Sabana Llana, and Venezuela and transformers in Sabana Llana and Venezuela. LUMA continued working on wiring installation under the Protection, Automation, and Control program. Minor repair execution started at the Arecibo Factor substation. Total spend year to date was lower than budget due to delays in receiving long lead materials.

The **Substation Reliability** program covers upgrading and reinforcing the existing and aging system infrastructure to improve system reliability. Key Q2 FY2024 activities included the replacement of remote terminal units at two substations and 14 transmission and distribution protection relays. LUMA also replaced 12 transmission and distribution circuit breakers, including five that were out of service. LUMA continued implementing the multiyear substation reliability program to replace surge arresters and distribution relays and install wildlife mitigation to support reliability improvements. Total spend year to date was higher than budget due to emergency spending for high-voltage equipment replacements, which included replacing breakers and relays and performing incremental hot spot remediations, inspections, and substation testing.

The **Substation Security** program focuses on various physical security concerns at T&D substations. The program will replace and add new security technology and hardware to deter, detect, and delay physical security incidents. Key Q2 FY2024 activities included continued construction work in the Manatí and Sabana Llana substations. To enhance the physical security of the Sabana Llana substation while the new fencing was erected, coordination was done with the Department of Public Safety to install a portable closed-circuit television system that was monitored 24/7 by the municipality of Carolina Command Center. Began construction at the Hato Rey substation. LUMA also coordinated with the San Juan municipality to support the Viaducto Transmission Center construction work scheduled to start in Q3 FY2024. A survey was conducted in the Monacillos Transmission Center to address soil erosion to support fence construction. Cameras were ordered in support of closed-circuit television installation, with continued work on information

technology infrastructure to address bandwidth and routing. Total spend year to date is lower than budget due to construction company workforce shortfalls and the lack of personnel with certifications in distribution and transmission switching power systems as defined and required by LUMA to provide continuous safe work access to contractors at substations.

Control Center and Buildings Improvement Portfolio Summary

The **Control Center and Buildings Improvement Portfolio** focuses on building the necessary infrastructure to deliver economic and reliable energy and meeting applicable laws and regulations through the Critical Energy Management System Upgrades, Facilities Development & Implementation, and Control Center Construction & Refurbishment programs.

(\$ millions)

Program	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Facilities Development & Implementation	\$ 19.6	\$ 4.9	\$ 0.7	\$ 9.8	\$ 2.3	\$ 7.5	
Federally Funded	15.6	3.9	0.1	7.8	0.6		
Non-Federally Funded	3.2	0.8	0.5	1.6	1.5		
OpEx	0.8	0.2	0.1	0.4	0.2		
SRP	19.5	4.9	0.7	9.8	2.2		
Critical Energy Management System Upgrades	\$ 15.2	\$ 5.7	\$ 2.2	\$ 9.6	\$ 4.3	\$ 5.3	
Federally Funded	15.2	5.7	2.3	9.6	4.2		
Non-Federally Funded	-	-	0.0	-	0.0		
OpEx	-	-	(0.0)	-	0.1		
SRP	15.2	5.7	2.2	9.6	4.3		
Control Center Construction & Refurbishment	\$ 7.9	\$ 1.6	\$ 2.7	\$ 2.6	\$ 3.4	\$ (0.9)	
Federally Funded	7.9	1.6	2.7	2.6	3.4		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	6.3	1.3	2.1	2.1	2.8		
Programs <5% of Portfolio Total	\$ 0.5	\$ -	\$ 0.0	\$ -	\$ 0.1	\$ (0.1)	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	0.5	-	0.0	-	0.1		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
Total	\$ 43.2	\$ 12.2	\$ 5.6	\$ 22.0	\$ 10.1	\$ 11.9	54%

¹ Figures may not add due to rounding.

The **Facilities Development & Implementation** program is focused on the construction required to remediate facilities and real property. Key Q2 FY2024 activities included obtaining approval for a third architecture and engineering firm from P3A and proceeding with execution. Palo Seco preliminary design progressed from 20% to 30% completion. We also submitted the scope of work for a deep cleaning request for proposal. Over 31,000 square feet of workspaces were reconfigured, and over 16,000 square feet of exterior surfaces were renovated. We finished designing new cisterns and generators in one customer experience center. Over 650 new assets were added to the facility digital database, currently tracking over 1,500 assets to implement software-based planned maintenance, creating new workflow processes and maintenance plans for cisterns, emergency electric generators, roof inspections, air conditioners, ice machines, air handler units, and transfer switches. We developed person-hour requirements for the varied planned maintenance tasks. We also developed task order scopes of work for 39 new federal program-building projects. Lastly, we maintained the decommissioning pace with over 200 tons of assets removed. The total spend for the quarter was less than expected due to delays in executing designs in the federally-funded programs. We advanced on the scope of work approvals, but contract work is still in the planning stage. At this time, the lockout/tag-out systems were inspected, repaired, and put back in operation, completing the first milestone for this program.

The **Critical Energy Management System Upgrades** program will replace obsolete and unsupported energy management systems and add relevant technology to operate the electric system safely and reliably. Key Q2 FY2024 activities included executing the initial database and display conversion project, completing the second milestone for FY2024, and verifying remote terminal unit communications changes required to support the new energy management system. Total spend is less than projected due to delays in project start and delays in payment to achieve the second milestone. At this time, FY2024 milestones have been achieved.

The **Control Center Construction & Refurbishment** program is targeted at the construction or refurbishment of buildings to house the main and backup control centers and all ancillary support services. Key Q2 FY2024 activities included developing the construction documents by the Architecture and Engineering team to 50%, coordinating with the land team to determine site acquisition requirements for the secondary control center, and continuing to respond to FEMA questions on the primary control center's detailed scope of work. Total spend was higher than anticipated due to the increased building size and the resulting impact on the Architecture and Engineering fees. The FY2024 budget was developed based on the original primary control center building size. At this time, the timeline is being impacted by FEMA's detailed scope of work review, Operations relocations, site clearing, and procurement.

Enabling Improvement Portfolio Summary

The **Enabling Improvement Portfolio** of investment projects focuses on safety and operational excellence through Vegetation Management, Compliance and Studies, and T&D Fleet programs.

(\$ millions)

Program	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Vegetation Management	\$ 179.8	\$ 45.0	\$ 14.4	\$ 58.7	\$ 28.8	\$ 29.9	
Federally Funded	125.0	31.3	-	31.3	-	-	
Non-Federally Funded	-	-	-	-	-	-	
OpEx	54.8	13.7	14.4	27.4	28.8		
SRP	179.8	45.0	14.4	58.7	28.8		
T&D Fleet	\$ 28.8	\$ 12.8	\$ 5.7	\$ 17.6	\$ 13.4	\$ 4.2	
Federally Funded	1.6	-	-	-	-	-	
Non-Federally Funded	8.0	8.0	(0.9)	8.0	1.2		
OpEx	19.2	4.8	6.6	9.6	12.2		
SRP	28.8	12.8	5.7	17.6	13.4		
Compliance, Studies, Technology and Performance	\$ 20.3	\$ 5.1	\$ 6.8	\$ 10.2	\$ 12.8	\$ (2.6)	
Federally Funded	18.0	4.5	6.1	9.0	11.1		
Non-Federally Funded	2.3	0.6	0.7	1.2	1.5		
OpEx	-	-	0.0	-	0.1		
SRP	19.6	4.9	6.6	9.8	12.3		
Programs <5% of Portfolio Total	\$ 37.1	\$ 8.1	\$ 10.5	\$ 14.8	\$ 13.6	\$ 1.2	
Federally Funded	12.6	1.5	0.4	2.1	1.0		
Non-Federally Funded	13.2	3.7	10.0	6.9	12.2		
OpEx	11.2	2.9	0.1	5.8	0.4		
SRP	19.0	5.3	2.0	10.1	4.1		
Total	\$ 266.0	\$ 70.9	\$ 37.3	\$ 101.2	\$ 68.5	\$ 32.7	32%

¹ Figures may not add due to rounding.

² The actuals associated with the federally funded capital vegetation line clearance are included in the line rebuild improvement programs.

The **Vegetation Management and Capital Clearing Implementation** program includes work to abate or mitigate immediate hazards caused by vegetation in critical locations and an ongoing program to clear and re-establish the cleared rights of way to standard widths. Key Q2 FY2024 activities included completing 276 miles of distribution clearing and 136 miles of transmission clearing (412 miles total) utilizing operating expenditures funds, applying herbicide treatment in 208 substation substations (109 acres) on the fifth round of maintenance, and submitting 13 detailed scopes of work for FEMA's obligation of funds to execute the island-wide capital Vegetation Clearing Initiative. The total spend year to date is lower than budget due to more complex initial execution activities in this program than expected.

LUMA Quarterly Vegetation Clearing by Voltage Level

Voltage	FY2024 Q2 Miles Cleared			FY2024 YTD Miles Cleared			FY2024 Q2 Acres ¹ Cleared			FY2024 YTD Acres ¹ Cleared		
	Federally Funded	OpEx	Total Miles	Federally Funded	OpEx	Total Miles	Federally Funded	OpEx	Total Acres	Federally Funded	OpEx	Total Acres
Distribution	-	276	276	23	500	523	-	401	401	33	727	761
38 kV	-	51	51	1	89	90	-	74	74	2	189	191
115 kV	-	48	48	0	63	63	-	70	70	2	252	253
230 kV	-	37	37	8	70	78	-	54	54	101	454	554
Total	-	412	412	32	722	754	-	599	599	138	1,622	1,760

¹ To calculate acres from miles, the miles are converted to feet by multiplying by 5,280. Then the width of the rights of way is assumed for each voltage level (distribution = 12', 38 kV = 25', and 115 & 230 kV = 100').

The **T&D Fleet** program includes activities and investments to bring the current vehicle, aircraft, and equipment fleet up to industry standards. It is focused on initializing and improving processes for data collection, repair, and maintenance of these assets. Key Q2 FY2024 activities included completing 593 Department of Transportation inspections and 214 American National Standards Institute vehicle compliance inspections and providing 372 hours of training and certifications on fire extinguisher management to 93 employees, including mechanics, administrative assistants, supervisors, and managers. The total spend was below budget due to procurement processes to execute vehicles rental-purchase agreement taking longer than expected. We expect this expense to be reflected in Q3 of FY2024.

The **Compliance & Studies** program supports the completion of T&D planning and protection studies and the production of hosting capacity information for public and internal use. This program also procured power quality monitoring equipment and meters for each district. Key Q2 FY2024 activities included developing four area plans for 71 feeders. Total spend was higher than budget due to the increase in T&D studies identified as part of area planning.

Support Services Improvement Portfolio Summary

The **Support Services Improvement Portfolio** supports the overall successful operation of the utility through various programs, including the IT OT Asset Management, the Update to Third Party Use, Audit, Contract and Billing Procedures, the IT OT Enablement, the Critical Financial Systems, the Critical Financial Controls, and the Land Record Management.

(\$ millions)

Program	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
IT OT Asset Management	\$ 8.6	\$ 4.8	\$ 0.1	\$ 6.6	\$ 0.2	\$ 6.4	
Federally Funded	8.2	4.7	0.0	6.3	0.1		
Non-Federally Funded	0.2	0.0	0.0	0.1	0.0		
OpEx	0.3	0.1	0.0	0.2	0.1		
SRP	8.5	4.8	0.1	6.5	0.2		
Critical Financial Systems	\$ 2.9	\$ 1.0	\$ 0.8	\$ 2.3	\$ 1.3	\$ 1.1	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	2.5	0.9	0.7	2.0	1.2		
OpEx	0.4	0.0	0.1	0.4	0.1		
SRP	1.9	0.9	0.5	1.7	0.8		
Update to Third Party Use, Audit, Contract and Billing Procedures	\$ 2.3	\$ 0.6	\$ 1.5	\$ 1.2	\$ 2.2	\$ (1.1)	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	-	-	-	-	-		
OpEx	2.3	0.6	1.5	1.2	2.2		
SRP	0.7	0.2	0.5	0.4	0.7		
IT OT Enablement Program	\$ 1.6	\$ 0.4	\$ (0.3)	\$ 0.8	\$ 0.4	\$ 0.4	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	1.6	0.4	(0.3)	0.8	0.4		
OpEx	-	-	0.0	-	0.0		
SRP	-	-	-	-	-		
Land Record Management	\$ 1.4	\$ 0.3	\$ 0.0	\$ 0.8	\$ 0.0	\$ 0.8	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	0.2	0.1	-	0.1	-		
OpEx	1.2	0.3	0.0	0.7	0.0		
SRP	0.3	0.1	0.0	0.2	0.0		
Critical Financial Controls	\$ 1.1	\$ 0.3	\$ 0.1	\$ 0.5	\$ 0.3	\$ 0.2	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	-	-	-	-	-		
OpEx	1.1	0.3	0.1	0.5	0.3		
SRP	1.1	0.3	0.1	0.5	0.3		
Programs <5% of Portfolio Total	\$ 3.7	\$ 1.0	\$ 0.9	\$ 2.4	\$ 1.9	\$ 0.5	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	2.0	0.6	0.3	1.5	0.6		
OpEx	1.7	0.4	0.6	0.9	1.3		
SRP	1.2	0.4	0.1	1.0	0.3		
Total	\$ 21.7	\$ 8.4	\$ 3.1	\$ 14.7	\$ 6.3	\$ 8.3	57%

¹ Figures may not add due to rounding.

The **IT OT Asset Management** program introduced industry-standard IT OT asset management procedures and continues to assess the application and infrastructure portfolio while providing necessary system upgrades to ensure secure business operation and continuity and improved customer responsiveness. IT OT resilience in this program also extends to establishing a new backup data center to ensure the reliability and resilience of technology systems. Key Q2 FY2024 activities included refining and rolling out the OMS mobile tool to Arecibo, Aguadilla, and San Juan areas to



ensure dispatch has upgraded real-time outage visibility and field staff has better outage updates; upgrading *Way To OMS* connectivity tool to improve error detection on our connected model to fix major connectivity issues, resulting in less critical problems and significant improvement; implementing a password manager and a privileged access management solution; and implementing cyber segmentation in the existing OT network which will be used to support the new supervisory control and data acquisition system when it arrives in first half of FY2025. Total spend is lower than expected due to vendor contract delays and project dependencies. Deployment of OMS Mobile is deliberately done at a slower pace due to its significant change impact and associated risk for people, processes, and technology. At this time, milestones under this program depend on timing of FEMA funds obligation.

The **Critical Financial Systems** program covers technology projects for Finance and Facilities, including financial management systems and technology, risk management systems, and supply chain management technology. Key Q2 FY2024 activities included completing requirement gathering and design for a new procure-to-pay process and acquiring a reporting tool for the Finance department. Total spend was lower than budget due to delays in the procure-to-pay project; the project is still on track to be completed in Q3 of this fiscal year.

The **Update to Third Party Use, Audit, Contract and Billing Procedures** program is focused on updating procedures for third-party use of land, infrastructure, audits, contracts, and billing. Key Q2 FY2024 activities included processing 200 third-party administrator attachment applications, totaling 9,951 poles. LUMA implemented the third-party attachment application fee in November 2023. LUMA also continued negotiations with telecommunication companies related to signing a joint pole use agreement. Total spend year to date was higher than the budget due to the expected billing offsets for third-party attachment applications and pole attachment fees that did not occur. The application fee collected is revenue netted against the program budget and will be used to compensate operation and maintenance expenses of processing the application packages.

The **IT OT Enablement** program will implement capabilities to deliver and maintain IT OT services and systems enabling LUMA operations by implementing industry best practices and standardized processes and tools. Key Q2 FY2024 activities included continuing the configuration of the Change Management module in ServiceNow, completing the initial draft of the LUMA architecture diagram, and developing the Three in Box Corporate Alignment Model. The Q2 variance is due to reversing a September 2023 accounting accrual where services were less than originally forecasted for October 2023.

The **Land Record Management** program will develop a new record management system that allows for land information to be found easily and managed effectively to meet utility industry standards. Key Q2 FY2024 activities included completing vendor evaluations, tracking into account project objectives, and specifying project criteria. The total spend was lower than expected because the procurement process took longer than anticipated. The timeline is anticipated to be affected, and we are still evaluating the level of impact.

The **Critical Financial Controls** program focuses on two key areas - internal controls, and internal audit. These two areas will build skills and capabilities in financial reporting and audit and will enable LUMA to update and enforce industry-standard policies and procedures that comply with the latest laws and regulations. Key Q2 FY2024 activities included reassessing the initial gap assessment for financial controls to reflect on 10% gaps completed, 11% partially fixed, and 79% in progress across various projects with target end dates in FY2027. Four critical policies (segregation of duties, lease accounting, capital asset, and governance) Guidelines & Procedures are subject to the task force team's approval in January 2024. The target date to complete the policies, guidelines, and procedures development plan for Finance and Accounting is the end of FY2025. The variance for this program is due to significant delays in the Workiva / governance, risk, and compliance tool contract, which is still under assessment and pending a go-forward decision to implement the internal control framework using Clearview Inc.

The financial information provided within this report has not been subject to audit, and this information is not appropriate for unintended purposes. The limitations and lack of integration of PREPA's financial and related systems and identified pre-existing control gaps may also affect the overall accuracy of reported results.

FY2024 Shared Services

LUMA is responsible for delivering Shared Services to perform certain administrative, managerial, and operational services as required to operate and manage Legacy Generation Assets. These responsibilities were contemplated as outlined in Annex VI of the T&D OMA and are governed by the Shared Services Agreement between PREPA, P3A, and LUMA, effective June 1, 2021. These shared services provide specific assistance while PREPA reorganizes, including material support and actions related to GenCo's transition from PREPA's operations to Genera PR. During this period, known as the Shared Services Period or under the Shared Services Agreement, LUMA will be providing PREPA with services that generally fall into three areas:

- T&D Operations – This is limited to technical operation and maintenance support for specific electrical equipment under the responsibility of PREPA at generation plant locations historically supported by Substation and Lines teams
- Information Technology – This support provides access and services to PREPA on IT OT infrastructure managed by LUMA
- Finance and Accounting – This includes general accounts payable, accounting and treasury activities provided by LUMA for PREPA and the placement of insurance policies covering all of PREPA's assets and activities (T&D and generation)

The costs for the Shared Services activities are considered part of Generation Pass-Through Expenditures incurred by PREPA in accordance with the T&D OMA.

Shared Services Summary

(\$ millions)

	FY2024 Budget ¹	Q2 Budget ¹	Q2 Actuals ¹	YTD Budget ¹	YTD Actuals ¹	YTD Variance (\$)	YTD Variance (%)
Labor	1.7	0.9	1.3	1.7	2.2	(0.5)	
Property & Casualty Insurance	55.4	13.7	12.9	27.5	25.9	1.6	
IT Service Agreements	6.7	1.7	1.2	3.4	2.5	0.9	
Legal Services	-	-	0.4	-	0.3	(0.3)	
Professional & Technical Outsourced Services	1.8	0.6	0.6	1.1	1.3	(0.2)	
Other	0.2	-	0.1	0.1	0.3	(0.2)	
Subtotal	\$ 65.8	\$ 16.9	\$ 16.5	\$ 33.8	\$ 32.5	\$ 1.3	4%
2% Reserve for Excess Expenditures	1.3	0.3		0.6		0.6	
Shared Services Total	\$ 67.1	\$ 17.2	\$ 16.5	\$ 34.4	\$ 32.5	\$ 1.9	6%

¹ Figures may not add due to rounding.

The primary driver for the \$1.3 million year-to-date favorable variance is related to the actual cost for the property insurance premiums and application software (IT OT) being lower than originally budgeted. This was partially offset by a small unfavorable variance in labor, legal services, professional and technical services driven by unbudgeted costs incurred in the Genera PR and PREPA transition and exit planning. At the end of Q2, separate Amended Shared Services

Agreements were established between LUMA, Genera PR, and PREPA to continue some shared services until September 30, 2024, consistent with each entity's respective restructuring plans.

The financial information provided within this report has not been subject to audit, and this information is not appropriate for unintended purposes. The limitations and lack of integration of PREPA's financial and related systems and identified pre-existing control gaps may also affect the overall accuracy of reported results.



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Exhibit 2
Budget to Actuals worksheet
to be submitted *via* email